



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

September 2, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to be "W. T. Fujioka", is written over the typed name and title.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

Legislative Session Deadlines

According to the State Constitution, August 31, 2008 signaled the end of the FY 2007-08 Legislative Session. The Legislature cannot pass any more bills unless they are urgency statutes, call for elections, or deal with tax levies or appropriations. The Governor has until September 30, 2008 to act on legislation passed before September 1, 2008 and in his possession on or after that date. Since the Governor has announced his intention to veto any legislation reaching his desk before the State Budget, hundreds of bills are potentially in jeopardy. Meanwhile, the legislative leadership has indicated that the two houses will remain in session to continue to pursue a budget solution.

General Election Ballot Deadline

Last Friday, Secretary of State Debra Bowen announced that the deadline to place any additional measures on the November 4, 2008 General Election ballot had passed, and indicated that she had instructed local election officials to move forward with election preparations. According to Secretary Bowen, any additional changes to the ballot would have seriously jeopardized the integrity of the election.

As previously reported, this deadline was important because some of the budget proposals under discussion in Sacramento, such as borrowing against future lottery revenues, a rainy day fund, and a temporary sales tax increase, would require voter approval. The failure of the Governor and the Legislature to reach a budget

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compromise in time to place measures in the November ballot would force lawmakers to call for a special election if the final budget agreement includes any measures that require voter approval.

Senate Republicans Release Budget Plan

The Senate Republicans released their proposed version of a balanced budget on August 30, 2008. Unlike the Governor's August Proposed Compromise and the Senate Democrats revised version of this proposal, which would have had only a marginal impact on the County, the Senate Republican Plan proposes an additional \$1.6 billion in reductions, of which almost \$1.5 billion would result in reductions to health and welfare programs. Many of these reductions were proposed either as part of the Governor's January Budget or the May Revision.

The Senate Republican Plan (Plan) rejects all tax increases including the Governor's proposed temporary hike in the sales tax and a surcharge on property insurance in high-fire areas. In addition, the Senate Republicans propose to transfer \$349 million from redevelopment agencies. The Plan also assumes securitization of the lottery to bring in almost \$2.0 billion in the budget year. The Plan does not include any borrowing from local government pursuant to Proposition 1A of 2004 and Proposition 42 of 2002. Legislation containing the details of the Plan is expected to become available later this week and we will work with affected departments to determine its impact on the County.

The Senate Republican Plan also reiterates the Governor's call for budget reform by proposing its own version which would impose an expenditure cap, increase the size of a rainy day fund, grant the Governor mid-year budget reduction authority without legislative action, mandate a two-thirds vote to withdraw funds from the rainy day fund, and require the Legislature to remain in session until a budget is passed. Finally, the Plan incorporates many of the Governor's proposed economic stimulus suggestions which were contained in his August Compromise including Federal conformity on high wage overtime exemptions, worker schedule flexibility, and private regulatory relief.

Neither the Governor nor the Democratic Legislative leadership expressed any support for the Plan.

Status of County-Sponsored Legislation

County co-sponsored AB 2769 (Levine, Brownley and Davis), as amended on August 22, 2008, would, among its many provisions: 1) prohibit a large supermarket or retail establishment from providing a single-use carryout bag to a customer unless the store charges a \$0.25 per bag fee, beginning January 1, 2010; 2) establish a transaction cap of \$2.00 which would sunset on January 1, 2014; 3) allow affected

stores to retain a portion of the fee to cover their administrative cost and implement specified recycling and public education programs; and 4) redirect approximately 50 percent of the fees to cities and counties on a per capita basis in the form of grants to reduce the environmental impact of single-use bags.

The legislation also would: 1) prohibit jurisdictions that ban the use of all single-use carryout bags from receiving the per capita grant funds; 2) restrict jurisdictions that ban only plastic bags to receiving 75 percent of their per capita share of grant funds; and 3) redirect approximately 45 percent of the fees to State agencies, local governments and non-profit organizations on a competitive basis to fund programs to mitigate the impacts of single-use carryout bags, including projects that encourage recycling of single-use carryout bags, cleanup and restoration activities, and public education programs. The bill was amended on August 28 to increase the membership on the State Water Resources Control Board from five to seven members and the County withdrew its co-sponsorship and did not take a position on the amended legislation.

Status of County Advocacy Legislation

County-opposed AB 13 (Brownley), as amended on August 22, 2008, which would require certain hospitals to adopt a plan or procedure for determining the staffing of professional and technical hospital personnel, passed the Senate on August 29, 2008 by a vote of 21 to 17, and the Assembly on August 30, 2008 by a vote of 43 to 31, and now proceeds to the Governor.

County-supported AB 550 (Ma), as amended on August 13, 2008, which would: 1) delete the requirement that county assessors conduct audits every four years of businesses that own, claim, possess or control locally assessable trade fixtures and tangible business property with a full value of at least \$400,000; 2) require that the largest businesses continue to be audited every four years; and 3) reduce the number of mandatory audits, passed the Assembly on August 28, 2008 by a vote of 71 to 5, and now proceeds to the Governor.

County-opposed unless amended AB 730 (De Leon), as amended on August 4, 2008, which would have required any bidder on information technology goods or services contract with a public entity to disclose any ongoing litigation within the United States, and any litigation in which it has been named as a party to a lawsuit within the previous five years and mandate that this disclosure would apply only to information technology goods and services contracts, failed passage in the Senate on August 29, 2008 by a vote of 20 to 17.

County-supported AB 1819 (Price), as amended on June 23, 2008, which would have authorized a person who is at least 16 years of age and otherwise meets all voter eligibility requirements to submit his or her affidavit of registration to vote and indicate

that the affidavit of registration would be deemed effective as soon as the applicant becomes 18 years of age at the time of the next election, was held in the Senate Committee on Appropriations Suspense File.

County-opposed AB 2204 (De La Torre), as amended on July 2, 2008, which would have required any person recording a deed or other instrument transferring the title of real property constructed before 1994 to attach all covenants, conditions, and restrictions associated with the property and require that the county recorder submit a copy of those documents to the county counsel and require the county counsel to review all documents and determine whether they contain unlawful restrictions, was held in the Senate Committee on Appropriations Suspense File.

County-opposed AB 2262 (Torrico), as amended on August 12, 2008, which would increase the age that an infant can be safely surrendered from 72 hours to up to 7 days, passed the Assembly on August 30, 2008 by a vote of 67 to 7, and now proceeds to the Governor.

County-supported AB 2579 (Niello), as amended on April, 23, 2008, which would have amended the Revenue and Taxation Code to treat married couples the same as unmarried co-owners of a residence for purposes of seeking property tax relief and eliminate the requirement that a new owner notify the assessor in writing of the completion of new construction, was held in the Senate Committee on Appropriations Suspense File.

County-sponsored AB 2607 (Davis), as amended on July 10, 2008, which would authorize the Counties of Los Angeles, Orange, Merced and Stanislaus to participate in a pilot program to permit the electronic filing of statements of economic interest (Form 700), from January 1, 2009 to January 1, 2012 passed the Assembly on August 12, 2008 by a vote of 78 to 0, and now proceeds to the Governor.

County-supported AB 2726 (Leno), as amended on August 20, 2008, which would extend the sunset date for the Healthy Food Purchase Pilot Program to January 1, 2013, and would authorize the California Department of Public Health to implement the pilot program by July 1, 2009, to the extent that the Department of Finance determines that sufficient non-general funds are available from any source except specified federal grants, passed the Assembly Floor on August 29, 2008 by a vote of 43 to 20, and now proceeds to the Governor.

County-supported AB 2759 (Jones), as amended on August 22, 2008, which would consolidate multiple preschool programs for low-income 3-year and 4-year old children to establish the State Preschool Program, passed the Assembly Floor on August 29, 2008, by a vote of 58 to 0, and now proceeds to the Governor.

County-supported AB 2762 (Eng), as amended on August 4, 2008, which would have required school employees who become aware that an act of harassment or discrimination has occurred, or that a terrorist threat was made, to report the incident to the school principal immediately and require the school principal or superintendent of the school district to investigate the report and take prompt action, was held in the Senate Appropriations Committee Suspense File.

County-supported AB 3028 (Salas), as amended on June 18, 2008, which would clarify that the Office of Statewide Health Planning and Development (OSHPD) may use electronic means to review and approve hospital building construction and alterations plans and may use an over-the-counter review process, and require OSHPD, to the extent possible, to use information technology to facilitate the timely review of hospital building and alteration plans and inspections of hospitals, passed the Assembly on consent on August 19, 2008, and now proceeds to the Governor.

County-supported AB 3076 (Huffman), as amended on August 28, 2008, which would correct a technical drafting error in **County-supported SB 1773 (Alarcon) of 2006** relative to the disposition of fines into the Maddy Emergency Medical Services Fund collected when a motorist attends traffic school, passed the Senate on August 30, 2008, by a vote of 29 to 10, and the Assembly on August 31, 2008, by a vote of 70 to 1, and now proceeds to the Governor.

County-opposed SB 201 (Florez), as amended on August 5, 2008, which would prohibit a raw milk dairy farm which chooses to develop and to maintain a Hazard Analysis Critical Control Point plan from being required to comply with bacterial standards established in existing law, passed the Senate on August 30, 2008, by a vote of 31 to 4, and now proceeds to the Governor.

County-supported SB 292 (Wiggins), as amended on July 2, 2008, would hold counties harmless for past payments for treatment services rendered to severely emotionally disabled students in out-of-state facilities, and allow continuation of these services and payments for three years to allow the Legislature, Governor and interested parties to develop and implement an orderly change in policy should one be desired. Recent audits by the State Controller have called these payments to counties into question notwithstanding the fact that they are allowed under Federal law and that they have been made without question for over 10 years.

SB 292 had been held on the Assembly Appropriations Committee Suspense File for weeks but it was released on August 31, 2008. Unfortunately, the Senate adjourned before the Assembly took up the bill for a vote. In a last minute attempt to keep the bill alive, Assembly Member Jim Beall attempted to amend an urgency clause into SB 292 which would have kept the bill alive and allowed it to be acted on after midnight of

August 31. Unfortunately, the Assembly would not allow the urgency clause to be added, and, as a result, the bill died.

County-supported SB 375 (Steinberg), as amended on August 22, 2008, which would require local government planning entities to adopt Sustainable Communities Strategies, to include greenhouse gas emission reduction strategies, in the development of their regional transportation planning activities, passed the Senate by a vote of 25 to 14, and now proceeds to the Governor.

County-supported SB 732 (Steinberg), as amended on August 22, 2008, which would develop and implement various competitive grant programs to be funded under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Bond Protection Bond Act of 2006 (Proposition 84) and create the Strategic Growth Council to manage and award Proposition 84 funds for planning grants and planning incentives and urban greening projects, passed the Senate by a vote of 23 to 14, and now proceeds to the Governor's Desk.

County-support in concept SB 840 (Kuehl), as amended on August 11, 2008, which would establish the California Healthcare System to make all California residents eligible for specified health care benefits on a single-payer basis, passed the Assembly on August 29, 2008, by a vote of 44 to 32, and the Senate on August 31, 2008, by a vote of 22 to 14, and now proceeds to the Governor.

County-supported SB 870 (Ridley-Thomas), as amended on August 28, 2008, which would authorize the California Housing Finance Agency to operate a mortgage refinance agency by resolution, passed the Senate on August 30, 2008, by a vote of 31 to 4, and now proceeds to the Governor.

County-opposed SB 1060 (Ridley-Thomas), as amended on June 19, 2008, which would have dissolved the Los Angeles Memorial Coliseum Commission and created a new State-controlled agency to assume control and management of Exposition Park, including the Memorial Coliseum and Sports Arena, failed passage in the Assembly Arts, Entertainment, Sports, Tourism and Internet Media Committee on June 24, 2008. Attempts to amend the substance of SB 1060 into SB 1780 were not successful.

County-sponsored SB 1177 (Ridley-Thomas), as amended on August 15, 2008, which would increase civil court filing fees by \$5 and raise the cap on the use of these fees for the Dispute Resolution Program from \$8 to \$13, passed the Senate on August 28, 2008 by a vote of 21 to 16, and now proceeds to the Governor.

County-sponsored SB 1184 (Kuehl), as amended on July 3, 2008, which would require all clinical laboratories to report all CD4+ T-Cell test results to local health officers within seven days of the completed test, and if the test is due to an HIV

infection, require the local health officer to report the test information to the State Department of Public Health within 45 days, passed the Senate on August 11, 2008 by a vote of 37 to 0, and now proceeds to the Governor.

County-supported SB 1341 (Padilla), as amended on August 19, 2008, which would permit CalWORKs recipients to retain savings and interest earned on savings in a restricted account to secure permanent rental housing or to make a rental payment to overcome an episode of homelessness, passed the Senate on August 28, 2008, by a vote of 23 to 14, and now proceeds to the Governor.

County-opposed AB 1390 (Huffman), as amended on August 22, 2008, which would: 1) increase the mandatory diversion rate on local governments from 50 percent to 60 percent by 2015 and 75 percent by 2020; 2) increase the California Integrated Waste Management Board's (CIWMB) tipping fee from \$1.40 per ton to \$2.13 per ton effective January 1, 2010; 3) require each jurisdiction to adopt a mandatory commercial recycling ordinance by January 1, 2011; 4) designate "excess" green waste alternative daily cover (ADC) as disposal rather than diversion effective January 1, 2010; 5) allow local enforcement agencies to conduct illegal dumping enforcement and public education activities; and 6) establish a grant and loan program for illegal dumping and identify model illegal dumping programs and funding opportunities for such programs, was held at the Senate Desk.

County-supported SB 1407 (Perata), as amended on August 29, 2008, which would establish a framework for the use of lease revenue bonds for construction and renovation of courthouses, passed the Senate on August 31, 2008, by a vote of 26 to 10 and now proceeds to the Governor.

County-supported SB 1516 (Simitian), as amended on June 30, 2008, which would have enacted the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2010 and place the measure on the November 2010 Statewide primary ballot, and if approved by the voters, would have authorized the issuance of bonds in the amount of \$4 billion for library construction and renovation, was held in the Assembly Committee on Appropriations.

County-supported SB 1629 (Steinberg), as amended on August 15, 2008, which would establish the Early Learning Quality Improvement System Advisory Committee to develop recommendations, evaluate and improve the quality of child development programs that provide services to children from birth to five years of age, and establish a framework to provide resources necessary to achieve and maintain high-quality child development programs, passed the Senate on August 31, 2008, by a vote of 24 to 13, and now proceeds to the Governor.

County-opposed SB 1717 (Perata), as amended on May 1, 2008, which would increase workers' compensation permanent disability benefits, was approved by the Assembly on August 29, 2008, by a vote of 46 to 31, and now proceeds to the Governor.

County-supported SB 1738 (Steinberg), as amended on July 2, 2008, which would establish the Frequent Users of Health Care Pilot Program for three years to provide Medi-Cal services to individuals designated as frequent users of health care services, passed the Senate on August 21, 2008, by a vote of 36 to 1, and now proceeds to the Governor.

County-supported SB2X 1 (Perata, Machado, Steinberg), as amended on August 28, 2008, would appropriate Water Bond funds in the aggregate amount of \$820,973,000. Among its many provisions, the bill sets minimum standards for integrated regional water management plans, including water supply reliability, water quality, watershed resources, and disadvantaged communities' needs. It requires new State Department of Water Resources grant solicitation/evaluation guidelines to include consideration of an array of factors, to include the California Water Plan, climate change, measurable regional objectives, regional project priorities, and multi-benefit projects. The bill passed the Senate by a vote of 24 to 12 and now proceeds to the Governor.

Status of County Interest Legislation

AB 2321 (Feuer), as amended on August 22, 2008, would extend the Los Angeles Metropolitan Transportation Authority's existing authority to adopt a 0.5 percent sales tax in the County from six and one-half years to 30 years, subject to a two-thirds approval of local voters in the November 4, 2008 General Election. The Assembly concurred in Senate amendments on a vote of 49 to 25 on August 31, 2008 and the legislation will now proceed to the Governor.

Master Bill List

A roster containing the updated status of all bills with a County advocacy position will be available tomorrow.

We will continue to keep you advised.

WTF:GK
MAL:MR:lm

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions